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ABSTRACT

This report uses data collected in the Survey of Income and Program Participation (SIPP) to examine the characteristics of postsecondary education students, their schooling costs, and avenues of financing education for the academic year 1993-1994. The SIPP provides information on all students who were enrolled at any time, for any duration, during the academic year, whether full or parttime. Of the 20.5 million postsecondary students enrolled at some point during the 1993-1994 school year, just under half (45%) were enrolled full time for the full year. Most of the 9.2 million full time students (74%) were undergraduates in their first 4 years of college (2-year and 4-year institutions) and about 1 in 7 were enrolled in graduate school. The remaining 11% were enrolled full time in noncollegiate schools, such as vocational, technical, or business schools. More than three in four full time students had a job at some point during the year. Data also indicate that the majority of full-time students were from families with an annual family income of less than $50,000. About 3 in 4 four full-time students were non-Hispanic White, and 1 in 10 was non-Hispanic Black. Women outnumbered men, and there were more women enrolled in the first 2 years of college. Postsecondary education was often expensive, and financial aid helped many students but not all. About 61%, or 5.6 million, full-time postsecondary students received some kind of financial aid. Graduate students and noncollegiate students were more likely than undergraduates to receive financial aid. The sources of financial aid varied, but students often received aid from more than one source. Dependent students were more likely to receive aid from multiple sources than were independent students. (SLD)

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ED 456 688

Financing the Future: Postsecondary Students, Costs, and Financial Aid

Household Economic Studies

1993-1994

Issued November 1999

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Financing the Future: Postsecondary Students, Costs, and Financial Aid

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Current Population Reports

By
Jennifer Cheeseman Day
and Kristine Witkowski

Finding a way to finance postsecondary schooling (that is, schooling beyond high school), may be as much of a challenge as the course material! Fortunately, many students — though not all — are able to obtain financial assistance. The ability to pay for, or finance, schooling has serious implications for a student's future.

This report using data collected in the Survey of Income and Program Participation (SIPP) examines the characteristics of postsecondary students, their schooling costs, and avenues of financing education for the academic year 1993-1994. Unlike typical cross-sectional analyses that focus on students and their enrollment status as of a given date, the SIPP provides information on all students who were enrolled at any time, for any duration, throughout the academic year. Full-time students were identified as those who were continuously enrolled full-time throughout the year. Part-time students were those who took less than a full-time course load or did not attend the full year. Some may have attended only one class or dropped out before completing the term.

One of the driving factors influencing schooling costs and financial aid received is the extent of time a student is enrolled during the year. For full-time students, who basically have the same amount of time enrolled during the year, variations in schooling costs and aid received may be examined more easily by differences in social, economic, and demographic characteristics. For part-time students, the amount of time enrolled, costs, and financial aid receipt vary widely and are highly dependent on each student's unique experience. Hence, most of the discussion in this report will focus on full-time postsecondary students.

Most full-time postsecondary students are young, dependent, and undergraduates.

Of 20.5 million postsecondary students enrolled at some point during the 1993-1994 school year, just under half (45 percent) were enrolled full-time for the full year. Most of the 9.2 million full-time students (74 percent) were undergraduates in their first 4 years of college (these figures include both 2-year and 4-year institutions), and about 1 in 7 were enrolled in graduate school (Figure 1). The remaining 11 percent were enrolled full-time in noncollegiate schools, such as vocational, technical, or business school.

Many students followed the traditional path of enrolling in college shortly after high school graduation. About two-thirds of full-time students were concentrated in the 17 to 24 age group, and about 86 percent of these students were enrolled in their first 4 years of college (Table A). Almost one-third of the nontraditional college-age students (ages 25 and over) were in their fifth year or higher, compared with about 6 percent of younger students. Nontraditional college-age students were also more likely to be enrolled in some type of noncollegiate postsecondary school (about 20 percent) compared with less than 10 percent for traditional college-age students.[1]

[1]The percentage of traditional college-age students is not significantly different from the percentage of traditional college-age noncollegiate students.

Demographic Programs

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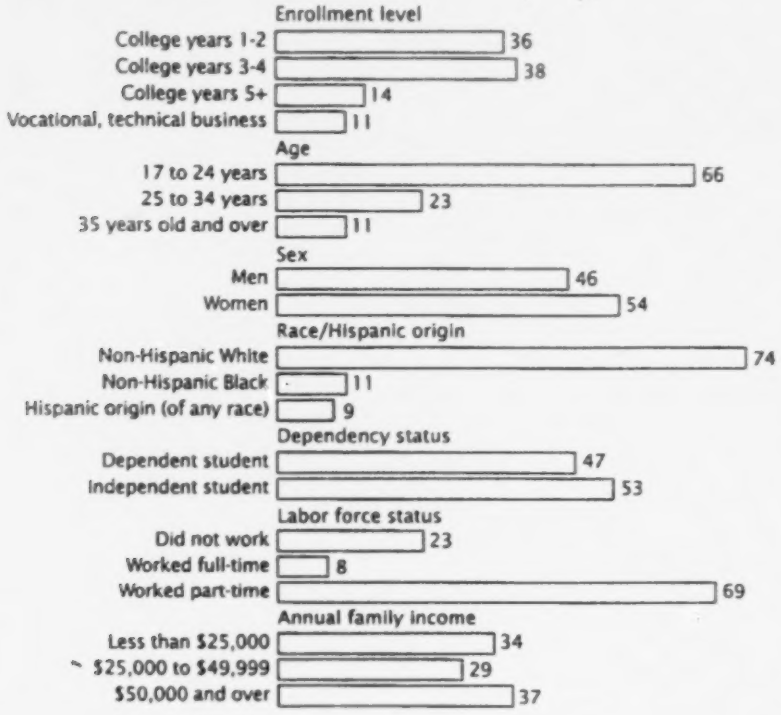
Figure 1.

Characteristics of Full-Time Students: 1993-1994

(As a percent of all postsecondary students)



Source: U.S. Census Bureau, Survey of Income and Program Participation (SIPP), 1992 Panel Wave 8 and 1993 Panel Wave 5.

Economically, many full-time students (47 percent) were still dependent on their parents. Almost all of these dependent students (91 percent) were enrolled in the first 4 years of college. Independent students, however, were distributed more evenly across the four levels of enrollment as shown in Table A (that is, 27 percent in the first two college years; 33 percent in the next two college years; 24 percent in the fifth or higher college years; and 17 percent in the vocational, technical, or business school, or other programs).[2] Most of the students enrolled in their fifth year of college or higher were classified as independent (88 percent), compared with 42 percent of undergraduates. Many of the independent students are likely to be in a graduate or a professional degree program. They are generally older and consequently more independent of their parents. Another group that is mostly independent of parents is full-time noncollegiate school enrollees (78 percent). People are more likely to attend this type of school after being employed and discovering vocational opportunities.

More than 3 of 4 full-time students had a job at some point during the year. These arrangements include working during the year, either full-time or part-time, or just working during the summer months. Almost one-tenth of full-time students worked full-time throughout the year. About 69 percent of full-time students worked part-time. The remainder did not work at all during the year.

The majority of full-time students (63 percent) were from families with an annual family income of less than $50,000. A larger proportion of full-time students had family incomes less than $25,000 than had family incomes in the middle range ($25,000 to $49,999). This unexpected pattern of enrollment is partially explained by the opposing patterns of enrollment and income for independent and dependent students, shown in Figure 2. For independent students (who are reporting only for themselves and are not identified as still being a part of their parents' household), family income tends to be low; thus, a higher proportion of independent students is in the lowest family income group. For dependent students (who are identified as still being a part of their parents' household), family income tends to be higher; thus, a higher proportion of dependent students come from families in the highest income group.

About 3 in 4 full-time postsecondary students were non-Hispanic White, 1 in 10 was non-Hispanic Black, and almost 1 in 10 was Hispanic.[3] A greater proportion of non-Hispanic White full-time students were enrolled at the graduate level (15 percent in the fifth year of college or more), than of either Hispanics or non-Hispanic Blacks (both at 7 percent). A greater proportion of Hispanic full-time students were enrolled in noncollegiate schools (17 percent) than of non-Hispanic White full-time students (11 percent). The proportion of non-Hispanic Black full-time students enrolled in noncollegiate schools was not significantly different than that for non-Hispanic Whites or Hispanics.

[2]The percentages of college students in years 1 and 2 and 5th year or higher are not significantly different.

[3]Hispanics may be of any race.

Table A.

Characteristics of Full-Time Postsecondary Students: 1993-1994

[Numbers in thousands]

Characteristics	Enrolled full-time		Enrollment level							
			College year 1 to 2		College year 3 to 4		College year 5 or higher		Vocational, technical, business school	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
TOTAL, 17 years and older ..	**9,194**	**100**	**3,352**	**36**	**3,493**	**38**	**1,321**	**14**	**1,028**	**11**
AGE										
17 to 24 years	6,066	100	2,631	43	2,600	43	383	6	452	7
25 to 34 years	2,151	100	468	22	682	32	656	30	344	16
35 years old and over	977	100	253	26	211	22	281	29	233	24
GENDER										
Men	4,211	100	1,466	35	1,679	40	652	15	414	10
Women	4,983	100	1,886	38	1,814	36	669	13	614	12
RACE/HISPANIC ORIGIN										
Non-Hispanic White	6,770	100	2,358	35	2,659	39	1,033	15	719	11
Non-Hispanic Black	1,026	100	408	40	416	41	69	7	132	13
Hispanic origin	783	100	375	48	221	28	52	7	135	17
DEPENDENCY STATUS										
Dependent student	4,365	100	2,070	47	1,906	44	160	4	229	5
Independent student	4,829	100	1,282	27	1,587	33	1,161	24	799	17
LABOR FORCE STATUS										
Did not work	2,105	100	760	36	764	36	363	17	218	10
Worked full-time	735	100	198	27	249	34	172	23	115	16
Worked part-time	6,355	100	2,393	38	2,480	39	786	12	695	11
ANNUAL FAMILY INCOME										
Less than $25,000	3,135	100	1,112	35	1,022	33	559	18	441	14
$25,000 to $49,999	2,642	100	1,045	40	912	35	328	12	357	14
$50,000 and over	3,417	100	1,194	35	1,559	46	434	13	230	7
FINANCIAL AID										
None received	3,622	100	1,422	39	1,415	39	437	12	347	10
Aid received	5,572	100	1,929	35	2,078	37	884	16	681	12

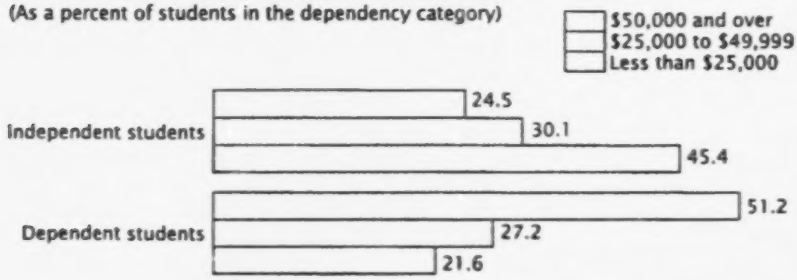
Note: Hispanics may be of any race.

Source: U.S. Census Bureau, Survey of Income and Program Participation (SIPP), 1992 Panel Wave 8 and 1993 Panel Wave 5.

Figure 2.

Proportion of Full-Time Students by Family Income and Dependency: 1993-1994

(As a percent of students in the dependency category)



Source: U.S. Census Bureau, Survey of Income and Program Participation (SIPP), 1992 Panel Wave 8 and 1993 Panel Wave 5.

Women outnumbered men among full-time students (5.0 million compared with 4.2 million). Similar percentages of women and men were enrolled in all four levels. However, women full-time students were slightly more likely than men to be enrolled in the first 2 years of college (38 percent compared with 35 percent), and in vocational, technical, business, or other schools (12 percent compared with 10 percent). The higher college enrollment of women in the first 2 years may reflect a higher enrollment

by women in 2-year associate degree programs. Although the type of degree sought cannot be determined from the data (associate or bachelor's), similar proportions of men and women were enrolled in the third and fourth years of college.

Postsecondary schooling often is expensive.

During the 1993-1994 school year, full-time postsecondary students paid an average of $3,905 for their schooling.[4] This sum consisted of $2,432 for tuition and fees, $448 for books and supplies, and (if they lived away from home) $3,402 for room and board (Table B).[5] Not all students report room and board, particularly independent students who may not live in school-related housing. Thus, the total average costs provided in this report should be seen as a mixture of costs reported for students who claim room and board costs and those who do not.

The cost of schooling varied by level of enrollment. For full-time students, noncollegiate schools were the least costly to attend ($1,705), while students in the third and

[4]Average total costs is the total value of the three components of tuition and fees, books and supplies, and room and board and is computed before financial aid is taken into account. The average value is for all students, including those who have no costs in one or more of the components. In contrast, the average value for each component is only for the students who had expenses in that category.

[5]These figures do not sum to the total because the amounts reported are summed over all students including those who report no room and board.

Table B.
Average Postsecondary Schooling Costs for Full-Time Students: 1993-1994

Characteristics	Enrolled full-time			
	Total costs	Tuition and fees	Books and supplies	Room and board
TOTAL	**$3,905**	**$2,432**	**$448**	**$3,402**
ENROLLMENT LEVEL				
College years 1-2	3,466	2,190	426	3,250
College years 3-4	4,775	2,878	530	3,359
College years 5+	4,427	2,664	521	4,146
Vocational, technical, business school, or other	1,705	1,402	148	(B)
AGE				
17 to 24 years	4,334	2,551	465	3,350
25 to 34 years	3,322	2,296	433	3,862
35 years old and over	2,519	1,988	378	(B)
SEX				
Men	4,251	2,588	476	3,538
Women	3,613	2,300	425	3,261
RACE/HISPANIC ORIGIN				
Non-Hispanic White	4,032	2,462	466	3,373
Non-Hispanic Black	3,815	2,635	393	3,245
Hispanic origin	3,084	2,011	357	(B)
DEPENDENCY STATUS				
Dependent student	4,569	2,606	482	3,379
Independent student	3,303	2,274	418	3,454
LABOR FORCE STATUS				
Did not work	3,798	2,311	450	3,661
Worked full-time	2,705	2,063	374	(B)
Worked part-time	4,079	2,514	456	3,349
ANNUAL FAMILY INCOME				
Less than $25,000	3,425	2,252	396	3,418
$25,000 to $49,999	3,625	2,393	417	3,177
$50,000 and over	4,560	2,626	520	3,505

Note: Hispanics may be of any race. B Base is too small to show the derived estimate. Total costs include costs for students with and without room and board costs. Room and board costs include only those students with these costs.
Source: U.S. Census Bureau, Survey of Income and Program Participation (SIPP), 1992 Panel Wave 8 and 1993 Panel Wave 5.

fourth year of college had the highest average total costs ($4,775). This pattern holds for tuition. Of those students who pay them, room and board costs were significantly higher for graduate students than for undergraduates.

Average schooling costs varies across the demographic characteristics of age, sex, race, and ethnicity. For the most part, costs of schooling decline with age. The costs for full-time students 17 to 24 years old were $4,334, compared with $3,322 for 25 to 34 year olds, and $2,519 for older students. Men who attended school full-time had higher total costs than women who attended school full-time ($4,251 compared with $3,613). The differences in schooling costs by gender were significant for undergraduate and graduate levels of enrollment. Non-Hispanic Whites ($4,032) and non-Hispanic Blacks ($3,815) had higher schooling costs than Hispanics ($3,084).[6]

The student's ability to afford the cost of schooling — through the student's financial resources such as dependency on parents, family income, and financial aid — and choice of school are interrelated, which partially explains cost variations across demographic groups. Schooling costs were much higher for full-time "dependent" students ($4,569) than for "independent" ones ($3,303). Financial support from parents or other relatives may enable dependent students (usually young undergraduates) to attend higher-cost colleges and universities. Dependent students may be also more likely to report room and board costs, driving up their total school costs even higher. In contrast, independent students are supporting themselves and may also be supporting a family. Hence, they may be more likely to look for low-cost educational sources. Further, they may be less likely to report room and board expenses as "school costs," because they are not in school-related housing but in private housing off campus.

As expected, full-time students from high-income families ($50,000 or more) had the highest average total school costs and highest cost for tuition and books. On average, their school costs during the 1993-1994 school year were $4,560, compared with the costs for students from "lower" (under $25,000 annually) and "middle" ($25,000 to $49,999 annually) income families, which were $3,435 and $3,625 respectively (and not significantly different).

Financial aid helps many, but not all students.

About 61 percent, or 5.6 million, full-time postsecondary students received some kind of financial aid during the 1993-1994 school year (Table C). On average, a full-time student received $4,486 per year, covering more than three-fourths (77 percent) of the student's total expenses. For about 1 in 4 full-time students, financial aid covered all of their costs.

Full-time graduate students (67 percent) and noncollegiate students (66 percent)[7] were more likely than undergraduates (about 60 percent) to receive financial aid. Full-time graduate students received the largest average aid packages of $7,465, while noncollegiate students reported significantly smaller packages of $2,859. Aid packages were also higher for full-time students in the third and fourth year of college (averaging $4,654) than for full-time students in their first or second year (averaging $3,528). The highest proportions of costs were covered at the graduate and noncollegiate postsecondary levels (84 percent and 87 percent, respectively; compared with 72 percent and 74 percent for the college years 1-2 and 3-4, respectively, and not significantly different from each other).

Among full-time students, a slightly greater proportion of women (62 percent) than men (59 percent) received aid. Men, however, received more aid (an average of $4,861 compared with $4,190). There was no difference between men and women in the proportion of costs that were covered (an average of 77 percent).

Non-Hispanic Black full-time students were more likely than non-Hispanic White full-time students or Hispanic full-time students to receive financial aid (77 percent, 59 percent, and 57 percent, respectively).[8] Yet, non-Hispanic Black and Hispanic students received smaller amounts of aid than non-Hispanic Whites. Of those receiving financial aid, non-Hispanic Black students had lower proportions of their school costs covered by aid, compared to students who were non-Hispanic White or Hispanic. Indeed, Hispanic students and non-Hispanic White students were not significantly different in terms of the proportion who received financial aid, the average amount received, and the percent of costs covered by financial aid.

[6]The schooling costs for non-Hispanic Whites and non-Hispanic Blacks were not significantly different.

[7]The percentages of full-time graduate students and noncollegiate students were not significantly different.

[8]The percentages of non-Hispanic White students and Hispanic students receiving financial aid were not significantly different.

Table C.
Full-Time Postsecondary Students Who Received Financial Aid and Average Amount of Aid Received: 1993-1994

Characteristics	Enrolled full-time			
	Number of recipients ('000s)	Percent of students	Average amount of aid received	Percent of costs covered
TOTAL	**5,572**	**61**	**4,486**	**77**
ENROLLMENT LEVEL				
College years 1-2	1,929	58	3,528	72
College years 3-4	2,078	59	4,654	74
College years 5+	884	67	7,465	84
Vocational, technical, business school, or other	681	66	2,859	87
AGE				
17 to 24 years	3,409	56	4,470	72
25 to 34 years	1,530	71	4,726	84
35 years old and over	634	65	4,003	82
SEX				
Men	2,464	59	4,861	76
Women	3,109	62	4,190	77
RACE/HISPANIC ORIGIN				
Non-Hispanic White	4,007	59	4,654	77
Non-Hispanic Black	792	77	3,505	73
Hispanic origin	450	57	4,130	78
DEPENDENCY STATUS				
Dependent student	2,391	55	4,443	69
Independent student	3,181	66	4,519	82
LABOR FORCE STATUS				
Did not work	1,256	60	4,391	78
Worked full time	418	57	3,930	79
Worked part time	3,898	61	4,577	78
ANNUAL FAMILY INCOME				
Less than $25,000	2,270	72	4,601	82
$25,000 to $49,999	1,615	61	4,179	76
$50,000 and over	1,687	49	4,626	70

Note: Hispanics may be of any race.

Source: U.S. Census Bureau, Survey of Income and Program Participation (SIPP), 1992 Panel Wave 8 and 1993 Panel Wave 5.

Among full-time students, independent students were more likely to receive financial aid (66 percent) than dependent students (55 percent). However, the amount of aid to full-time independent and dependent students did not differ significantly. Of those receiving aid, independent students had a higher proportion of their costs covered than dependent students (82 percent compared with 69 percent).

The proportion of students receiving aid declined as family income rose. While 72 percent of those with "low" annual family income (below $25,000) got assistance, 49 percent with "high" income ($50,000 or more) were aid recipients. The average amount did not vary significantly by income group. Among those receiving it, aid covered 82 percent of low-income students' costs. For high-income students, the figure was 70 percent.

The sources of financial aid vary.

As one might expect, the actual amount of aid received from different sources varies greatly (Figure 3), partially explained by limits placed on some aid programs, loans, and grants.

The most common source of aid for full-time students was student loans with 2.4 million recipients. The largest amounts of aid on average were from student loans, fellowship/scholarships, and veterans' programs of at least $3,000 each (and were not statistically different from one another). Yet, the least common type of aid was from veterans' programs (280,000 recipients).

Figure 3.

Full-Time Student Recipients of Financial Aid and Average Amount Received From Each Source: 1993-1994

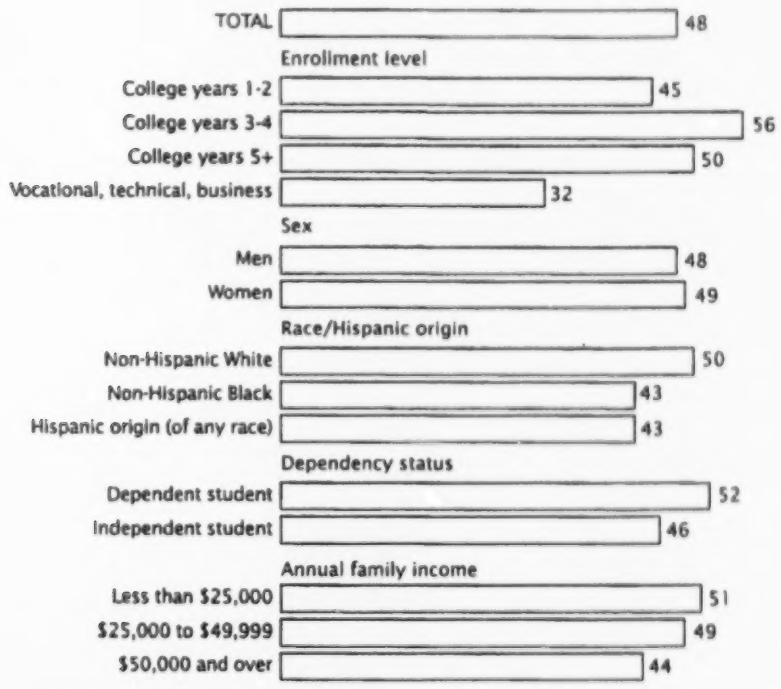
	Number of full-time student recipients (in thousands)	Percent of full-time students	Average amount
All sources	5,572	61	$4,486
Loan	2,422	26	$3,439
Assistance from employer	748	8	$2,444
Pell Grant	2,133	23	$1,373
Fellowship/scholarship	1,778	19	$3,508
SEOG/College work study	591	6	$1,185
GI Bill/VEAP/[1]	280	3	$3,123
Other	1,866	20	$2,206

[1] Veterans' Educational Assistance Programs.
Source: U.S. Census Bureau, Survey of Income and Program Participation (SIPP), 1992 Panel Wave 8 and 1993 Panel Wave 5.

Figure 4.

Proportion of Full-Time Students Who Received Financial Aid From More Than One Source: 1993-1994

(As a percent of full-time students)



Source: U.S. Census Bureau, Survey of Income and Program Participation (SIPP), 1992 Panel Wave 8 and 1993 Panel Wave 5.

The most common sources of aid for full-time undergraduates were Pell Grants (23 percent) and loans (26 percent). For students in their third and fourth year of college, loans were even more common, with about one-third receiving them. About 35 percent of full-time graduate students relied on loans. Other common sources for graduate students were fellowships/scholarships (31 percent), other sources (22 percent), and employer assistance (15 percent). Full-time students in noncollegiate schools received aid from other sources (30 percent), Pell Grants (23 percent), and loans (19 percent).

Aid from more than one source is common.

About one-half of the full-time students who received aid got it from a single source, with the remaining 48 percent (or 2.7 million students) having more than one source (Figure 4). Dependent students were more likely to have multiple sources than were independent students — 52 percent compared with 46 percent.

Source of the Data

The estimates in this report come from the Survey of Income and Program Participation (SIPP). The SIPP is a longitudinal survey conducted at 4-month intervals by the Census Bureau. Although the main focus of SIPP is information on labor force participation, jobs, income, and participation in federal assistance programs, information on other topics is also collected in topical modules on a rotating basis. Data shown in this report were collected in the eighth interview of the 1992 panel and the fifth interview of the 1993 panel (June-September 1994) and refer to the 1993-1994 school year.

Accuracy and Reliability of the Data

Statistics from sample surveys are subject to sampling and nonsampling error. All comparisons presented in this report have taken sampling error into account and meet Census Bureau standards for statistical significance. Nonsampling errors in surveys may be attributed to a variety of sources, such as how the survey was designed, how respondents interpret questions, how able and willing respondents are to provide correct answers, and how accurately answers are coded and classified. The Census Bureau employs quality control procedures throughout the production process, which includes designing the surveys, testing the wording of questions, reviewing the work of interviewers and coders, and statistical reviewing reports.

The SIPP employs ratio estimation, whereby sample estimates are adjusted to independent estimates of the national population by age, race, sex, and Hispanic origin. This weighting partially corrects for bias due to undercoverage, but how it affects different variables in the survey is not precisely known. Moreover, biases may also be present when people who are missed in the survey differ from those interviewed in ways other than the categories used in weighting (age, race, sex, and Hispanic origin). All of these considerations affect comparisons across different surveys or data sources.

For further information on statistical standards and the computation and use of standard errors, contact Karen King, Demographic Statistical Methods Division, at 301-457-4192 or on the Internet at Karen.E. King@ccmail.census.gov.

More Information

A detailed package of tables showing postsecondary school enrollment, costs, and financing by various social and demographic characteristics is available on paper for $22.70 (PPL-75) from the Population Division's Statistical Information Office (301-457-2422). The table package is also available on the Internet (http://www.census.gov); in the "Subjects A-Z" area, click on "S" for "School: Postsecondary Costs and Financial Aid."

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